

**Alternative Outlook for the Enacted FY 2022 Supplemental Operating Budget (ESSB 5693)**

Prepared at the request of Representative Orcutt \*

Funds Subject to Outlook

(Dollars in Millions)

	2021-23			2023-25		
	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25
<b>Beginning Balance</b>	<b>4,161</b>	<b>5,190</b>	<b>4,161</b>	<b>-11</b>	<b>-197</b>	<b>-11</b>
<b>Forecasted Revenues</b>	<b>30,683</b>	<b>30,775</b>	<b>61,458</b>	<b>32,160</b>	<b>33,607</b>	<b>65,766</b>
February 2022 Revenue Forecast (NGF-O)	30,683	31,008	61,691	32,078	33,290	65,368
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	325	571	896
Remove Capital Gains from the February Forecast **	0	-233	-233	-419	-503	-922
Adj 4.5% Calc to Reflect Removal of Capital Gains **	0	0	0	176	249	424
<b>Other Resource Changes</b>	<b>-280</b>	<b>-1,546</b>	<b>-1,826</b>	<b>-244</b>	<b>-1,342</b>	<b>-1,586</b>
GF-S Transfer to BSA (1%) **	-293	-294	-587	-303	-314	-617
Prior Period Adjustments	20	20	41	20	20	41
New Enacted Fund Transfers - 2022 Session	-50	-1,182	-1,232	17	-547	-531
Budget Driven Revenue	2	-33	-31	-16	-18	-33
Prior Enacted Fund Transfers - 2021 Session	41	9	50	254	-247	7
Revenue Legislation	-1	-64	-64	-213	-234	-447
Governor Vetoes	0	-3	-3	-3	-3	-5
<b>Total Revenues and Resources</b>	<b>34,564</b>	<b>34,418</b>	<b>63,792</b>	<b>31,905</b>	<b>32,068</b>	<b>64,170</b>
<b>Enacted Appropriations</b>	<b>28,399</b>	<b>30,667</b>	<b>59,067</b>	<b>30,491</b>	<b>30,690</b>	<b>61,181</b>
<b>Maintenance Level Total</b>	<b>-584</b>	<b>-547</b>	<b>-1,131</b>	<b>-469</b>	<b>-445</b>	<b>-914</b>
K-12 Education	-394	-532	-926	-494	-471	-964
Low Income Health Care & Comm Behavioral Health	62	178	240	207	185	392
Social & Health Services	-90	-32	-122	-43	-42	-84
Higher Education	-30	-24	-54	-13	-1	-13
Corrections	-45	-48	-93	-56	-55	-111
All Other	-79	-56	-136	-40	-54	-95
Debt Service	-8	-32	-40	-30	-8	-38
<b>Policy Level Total</b>	<b>1,715</b>	<b>4,474</b>	<b>6,189</b>	<b>2,234</b>	<b>2,334</b>	<b>4,568</b>
K-12 Education	1	432	433	615	730	1,345
Low Income Health Care & Comm Behavioral Health	20	171	191	206	250	456
Social & Health Services	81	563	644	413	370	783
Higher Education	-2	117	114	85	82	167
Corrections	5	43	48	40	34	74
All Other	216	2,202	2,417	640	628	1,269
Federal and Cannabis Revenue Fund Shifts	-606	-4	-610	-15	-15	-29
Appropriations to Other Budgets (Capital)	0	650	650	0	0	0
Appropriations to Other Budgets (Transportation)	2,000	0	2,000	0	0	0
Compensation & Benefits	0	314	314	261	261	521
Governor Vetoes and Lapsed Items	-1	-13	-13	-11	-7	-18
<b>Reversions</b>	<b>-157</b>	<b>-165</b>	<b>-322</b>	<b>-154</b>	<b>-154</b>	<b>-308</b>
<b>Revised Appropriations</b>	<b>29,374</b>	<b>34,429</b>	<b>63,803</b>	<b>32,102</b>	<b>32,425</b>	<b>64,526</b>
<b>Projected Ending Balance</b>	<b>5,190</b>	<b>-11</b>	<b>-11</b>	<b>-197</b>	<b>-356</b>	<b>-356</b>

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	2021-23			2023-25		
	FY 2022	FY 2023	2021-23	FY 2024	FY 2025	2023-25
<b>Budget Stabilization Account</b>						
Beginning Balance	19	312	19	609	919	609
GF-S Transfer to BSA (1%) **	293	294	587	303	314	617
Interest Earnings	0	2	2	7	14	21
<b>Budget Stabilization Account Ending Balance</b>	<b>312</b>	<b>609</b>	<b>609</b>	<b>919</b>	<b>1,247</b>	<b>1,247</b>
<b>Washington Rescue Plan Transition Account</b>						
Beginning Balance	1,000	1,000	1,000	2,100	1,850	2,100
Transfers	0	1,100	1,100	-250	750	500
<b>Washington Rescue Plan Transition Account Ending Balance</b>	<b>1,000</b>	<b>2,100</b>	<b>2,100</b>	<b>1,850</b>	<b>2,600</b>	<b>2,600</b>
<b>Total Reserves</b>	<b>6,502</b>	<b>2,698</b>	<b>2,698</b>	<b>2,573</b>	<b>3,491</b>	<b>3,491</b>
<b>Percentage of Reserves to Revenues and Other Resources</b>	<b>21.4%</b>	<b>9.2%</b>		<b>8.1%</b>	<b>10.8%</b>	
NGF-O	17.1%	-0.0%		-0.6%	-1.1%	
Budget Stabilization Account	1.0%	2.1%		2.9%	3.9%	
Washington Rescue Plan Transition Account	3.3%	7.2%		5.8%	8.1%	

Notes.

\* This alternative Outlook was prepared at the request of Representative Orcutt and is not the adopted Outlook for the enacted FY 2022 supplemental operating budget.

\*\* The February 2022 revenue forecast incorporates assumed \$1.155 billion NGF-O revenue over the 4-year period from the enactment of Chapter 196, Laws of 2021 (capital gains tax). On March 1, 2022, the Douglas County Superior Court invalidated the tax. The state is appealing the ruling by the Douglas County Superior Court and has filed for direct review of the Superior Court decision by the Washington State Supreme Court. Pursuant to direction by the ERFC on March 31, 2022, the enacted Outlook assumes the February 2022 revenue forecast and does not make an adjustment to remove the Capital Gains revenue. At the request of Representative Orcutt, this alternative Outlook has been prepared which removes estimated capital gains revenue from the forecast and makes adjustments to the 4.5% additional revenue and 1% BSA transfer calculations to reflect the removal of the estimated capital gains revenues.